

Testimony of the Honorable Mark Takano (CA-41)
Military Construction and Veterans Affairs Appropriations Subcommittee Hearing
Tuesday, April 17, 2018, at 1:30 p.m.

Chairman Dent, Ranking Member Wasserman Schultz, and other members of the Subcommittee, thank you for allowing me to join you this morning to discuss funding priorities for the Department of Veterans Affairs.

I have been a proud member of the House Committee on Veterans' Affairs since my first term in Congress, and I currently serve as the Committee's Vice Ranking Member.

The main issue I'd like to address this morning is the Administration's proposal to consolidate the VA's Medical Services and Community Care accounts. Given the VA's notorious difficulty in forecasting the spend rate of the Choice program, I believe this proposal is misguided and will make it harder for Members of Congress to provide critical oversight of how the VA spends its funding for medical care, and in turn undermine the care veterans receive.

As many of you will recall, the Choice Program arose from the Phoenix wait time scandal. It was a rushed response to a serious emergency, and its implementation reflected the prioritization of speed over effectiveness.

The program was set to sunset in August 2017, or when the VA had spent the \$10 billion Choice Fund. After months of being told by VA officials that the Choice Fund would be depleted well short of the sunset date, the VA revised its estimate.

In the spring of 2017, the VA forecasted that it would hit the August 2017 sunset date with more than \$1 billion remaining in the account. Congress acted quickly and lifted the sunset date to allow the remaining funds to be spent on veteran care.

However, by July of that year, the VA reverted back to its previous estimates, prompting Congress to pass the VA Choice and Quality Employment Act of 2017 to provide \$2.1 billion to the program.

By December, the VA notified Congress it would again run out of funding for Choice in January 2018, so Congress appropriated an additional \$2.1 billion to the Choice Fund. This latest funding was expected to last through end of Fiscal Year 2018, but the VA now expects it will run out of funding in early June, more than three months before the end of the fiscal year.

If you found that narrative difficult to follow, then you understand my point.

Tracking the cost of the VA's Choice Fund is difficult – even when it is separate from the Medical Services Account. Merging the two accounts would make meaningful oversight nearly impossible.

Additionally, the merger of the Community Care and Medical Services accounts runs directly counter to the Surface Transportation and Veterans Health Improvement Act of 2015, which mandated that VA provide a request for community care in the budget.

And most importantly, this change would invite community care spending to encroach upon the budget that is dedicated to maintaining the VA facilities that provide high-quality care to our nation's veterans. Every year, roughly nine million veterans rely on VA services. We must reject any proposal that jeopardizes our ability to ensure those services will remain available.

In my remaining time, I'd like to highlight the need for funding to fully implement the Forever GI Bill. The landmark law guarantees veterans a lifetime GI Bill benefit, rather than benefits that expire. It simplifies and consolidates the Montgomery GI Bill and the Post 9/11 GI Bill, and has valuable protections so veterans don't lose their benefits when a school closes mid-semester, like ITT and Corinthian did.

However, for this to succeed, the VA needs full funding for implementation. I'm concerned that without proper funding for IT upgrades, the VA is ill-equipped to comply with the new provisions of the law and will fall short of keeping the promise we've made to veterans. I ask that the Appropriations Committee provide the full \$30 million authorized in Section 115 of the law for claims processing and IT upgrades. The Forever GI Bill was an historic step forward and we owe it to our veterans not to waste such a massive, bipartisan effort.

Thank you for your time this morning. I look forward to continuing to work with you to ensure that veterans receive the services and support they deserve and I yield back.